

ESHB 2060 - S AMD TO HEA COMM AMD (AMS SEIB 001) 580  
By Senator Deccio

OUT OF ORDER 04/15/2005

1 On page 7, after line 24 of the amendment, insert the following:

2 NEW SECTION. **Sec. 4.** For purposes of this chapter "small  
3 employer" and "carrier" have the same meaning as in RCW 48.43.005.

4 NEW SECTION. **Sec. 5.** By January 1, 2007, the health care  
5 authority established under chapter 41.05 RCW shall implement a program  
6 to assist small employers in providing meaningful health care coverage  
7 to their employees and employees' dependents. The program shall:

8 (1) Offer a choice of health benefit plans at varying prices that  
9 are consistent with the requirements of section 6 of this act,  
10 including a high deductible plan that may be used in conjunction with  
11 a health savings account;

12 (2) Require an affordable premium contribution from participating  
13 employers and employees, subsidized as available federal, state, local,  
14 or other funding allows and if necessary to provide meaningful  
15 coverage;

16 (3) Be designed to: (a) Encourage small employers that do not  
17 offer health coverage to do so, and discourage those that offer  
18 coverage from dropping it in favor of the small employer assistance  
19 program; (b) meet the needs of small employers in different areas of  
20 the state; and (c) meet the needs of small employers with differing  
21 work force characteristics;

22 (4) Use appropriate and effective risk management mechanisms where  
23 they would reduce the cost of coverage;

24 (5) Collaborate with and make maximum use of existing federal,  
25 state, local, and other programs providing coverage or health care to  
26 the uninsured, particularly those who are employed by small employers.

27 Initially, the program may be offered in limited areas of the  
28 state, but if so, the health care authority shall develop a plan for  
29 expanding the program statewide.

1        NEW SECTION.    **Sec. 6.** Any health benefit plan offered under the  
2 small employer assistance program shall reflect the conscientious,  
3 explicit, and judicious use of current best information and data with  
4 regard to patient care. In designing the schedule of benefits and cost  
5 sharing, the authority shall:

6            (1) Include preventive care services, based on the recommendations  
7 of the United States preventive services task force, with minimal  
8 enrollee cost sharing;

9            (2) Include other benefits determined to be the most efficacious  
10 and cost-effective within the limits affordable to small employers and  
11 their employees, given the available subsidy;

12           (3) Structure enrollee cost sharing to discourage demand for  
13 inappropriate or unnecessary treatment, encourage enrollee  
14 responsibility, including the use of efficacious and cost-effective  
15 services and products, and promote quality care.

16           A carrier may offer any health benefit plan available under the  
17 small employer assistance program to any small employer, whether  
18 through the small employer assistance program or otherwise.

19        NEW SECTION.    **Sec. 7.** In contracting with a carrier to offer  
20 coverage under the small employer assistance program, the health care  
21 authority shall ensure that the carrier:

22           (1) Actively educates enrollees regarding responsible health care  
23 decision making and encourages their engagement in health promotion and  
24 wellness activities and their receipt of appropriate preventive  
25 services;

26           (2) Actively seeks to identify and encourage appropriate,  
27 efficacious, and cost-effective care by its providers based on evidence  
28 of best practices and promotes the use of quality providers by its  
29 enrollees;

30           (3) Actively seeks to identify enrollees with, or with the  
31 potential for, chronic or other high-cost conditions and provides them  
32 coordinated care through disease and demand management programs;

33           (4) Actively encourages innovative, efficient, and patient-centered  
34 facility designs and service delivery methods that improve enrollee  
35 access to care and health outcomes.

36           If the health care authority implements a self-insured plan, it  
37 shall be responsible for these requirements.

1        NEW SECTION.    **Sec. 8.**    The activities and operations of the small  
2 employer assistance program, including carriers to the extent of their  
3 participation in the program, are exempt from the provisions and  
4 requirements of Title 48 RCW except:

5            (1) Carriers are subject to RCW 48.43.022, 48.43.500, 48.43.505  
6 through 48.43.535, 48.43.545, and 48.43.550;

7            (2) Persons appointed or authorized to solicit applications for  
8 enrollment in a plan offered under the small employer assistance  
9 program, including employees of the health care authority, must comply  
10 with chapter 48.17 RCW. For purposes of this section, "solicit" does  
11 not include distributing information and applications for the small  
12 employer assistance program and responding to questions; and

13            (3) Amounts paid to a carrier representing the premium contribution  
14 of employers and employees must comply with RCW 48.14.0201.

15        NEW SECTION.    **Sec. 9.**    The health care authority may implement a  
16 self-funded or self-insured method of providing insurance coverage, as  
17 provided in RCW 41.05.140, under the small employer assistance program  
18 if no carrier is willing to provide coverage under the program in a  
19 given area and the health care authority has received a certification  
20 from a member of the American academy of actuaries that the funding  
21 available in the small employer assistance self-insurance reserve  
22 account is sufficient for the self-funded or self-insured risk assumed,  
23 or expected to be assumed, by the authority.

24        NEW SECTION.    **Sec. 10.**    The health care authority shall consult  
25 with interested parties in its development of the small employer  
26 assistance program and shall provide a progress report on its  
27 implementation to the legislature by December 1, 2005. The report  
28 shall: (1) Identify and provide an explanation for any variance in the  
29 program design from the requirements of Title 48 RCW; (2) discuss  
30 funding options to support the subsidy of small employer program  
31 enrollees; and (3) identify any additional statutory changes necessary  
32 to meet the intent of the program.

33        NEW SECTION.    **Sec. 11.**    The health care authority may adopt rules  
34 to implement this chapter.

1        NEW SECTION.    **Sec. 12.**    (1) Beginning July 1, 2006, the health care  
2 authority may accept applications for premium assistance from  
3 individuals whose current small employer has not offered health  
4 insurance within the last six months, on behalf of themselves and their  
5 spouses and dependent children.    The health care authority may  
6 determine the minimum premium contribution to be paid by small  
7 employers whose employees are participating in this premium assistance  
8 option.

9        (2) To the extent of funding provided in the biennial operating  
10 budget, the health care authority may make premium assistance payments  
11 to help employees pay their premium obligation for their employer's  
12 health benefit plan when:

13        (a) The individual seeking premium assistance, plus the  
14 individual's spouse and dependent children:    (i) Is not confined or  
15 residing in a government-operated institution, unless he or she meets  
16 eligibility criteria adopted by the health care authority; (ii) has  
17 gross family income at the time of enrollment that does not exceed two  
18 hundred percent of the federal poverty level as adjusted for family  
19 size and determined annually by the federal department of health and  
20 human services; (iii) resides within the state of Washington; and (iv)  
21 meets the definition of eligible employee as defined in RCW 48.43.005;

22        (b) The premium assistance paid would be less than the subsidy that  
23 would be paid if the individual, or the individual plus his or her  
24 spouse and dependent children, were to enroll in the Washington basic  
25 health plan under chapter 70.47 RCW as subsidized enrollees.    The  
26 amount of an individual's premium assistance shall be determined by  
27 applying the percent of premium subsidy paid for subsidized basic  
28 health plan enrollees under RCW 70.47.060 to the employee's premium  
29 obligation for his or her employer's health benefit plan;

30        (c) The premium assistance enrollee agrees to provide verification  
31 of continued enrollment in his or her small employer's health benefit  
32 plan on a semiannual basis, or to notify the health care authority  
33 whenever his or her enrollment status changes, whichever is earlier.  
34 Verification or notification may be made directly by the employee, or  
35 through his or her employer or the carrier providing the small employer  
36 health benefit plan.    When necessary, the health care authority has the  
37 authority to perform retrospective audits on premium assistance  
38 accounts.

1 (3) The health care authority may adopt standards for minimum  
2 thresholds of small employer health benefit plans for which premium  
3 assistance will be paid under this section. The office of insurance  
4 commissioner under Title 48 RCW shall certify that small employer  
5 health benefit plans meet any standards developed under this  
6 subsection.

7 (4) The health care authority, in consultation with small  
8 employers, carriers, and the office of insurance commissioner under  
9 Title 48 RCW, shall determine an effective and efficient method for the  
10 payment of premium assistance and adopt rules necessary for its  
11 implementation.

12 (5) Funds received by a family as part of participation in the  
13 adoption support program authorized under RCW 26.33.320 and 74.13.100  
14 through 74.13.145 may not be counted toward a family's current gross  
15 family income for the purposes of this chapter. No premium assistance  
16 may be paid to an employee whose current gross family income exceeds  
17 twice the federal poverty level or who is a recipient of medical  
18 assistance or medical care services under chapter 74.09 RCW.

19 NEW SECTION. **Sec. 13.** Sections 4 through 12 of this act  
20 constitute a new chapter in Title 70 RCW.

21 NEW SECTION. **Sec. 14.** (1) The sum of five hundred thousand  
22 dollars, or as much thereof as may be necessary, is appropriated from  
23 the general fund to the health care authority for the fiscal year  
24 ending June 30, 2006, to carry out the purposes of this act.

25 (2) The sum of two hundred twenty-four thousand dollars, or as much  
26 thereof as may be necessary, is appropriated from the general fund to  
27 the health care authority for the fiscal year ending June 30, 2007, to  
28 carry out the purposes of this act."

**OUT OF ORDER 04/15/2005**

1       On page 7, line 31 of the title amendment, after "70.47.020;"  
2       strike "and" and after "70.47 RCW" insert "; adding a new chapter to  
3       Title 70 RCW; and making appropriations"

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